



## PERCEPTION ON CORPORATE RETAIL OUTLET ON CONSUMERS IN SALEM CITY

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### ABSTRACT

Organized retailing in India initially began in the South. The availability of land at prime locations coupled with lower real estate prices (compared to Mumbai and Delhi) made multistoried shopping complexes possible. Retailing is one of the fastest growing industries in India, catering to the world's second-largest consumer market. Objectives of the study to analyze demographic factors and impact of corporate retailers on consumers in Salem City. Methodology of the study, Primary data as well as secondary data was used in this study. The researcher collected data by using a convenience sampling method. The researcher conducted the survey for 6 months i.e., from January 2013 to June 2013. Findings of the study, it is clear that 90 per cent of consumers in the food category are satisfied, 6 per cent highly satisfied and 4 per cent are undecided. 75 per cent of consumers in the Textile category are satisfied, 21 per cent highly satisfied and 4 per cent are undecided. Suggested in this study. In the general opinion among the educated is that the small traders are doing adulteration. For this reason they prefer corporate retail for purchase. Therefore the small traders should avoid the practice of the adulteration, otherwise survival will be difficult. Concluding in this study, the decision is fuelled by booming economy and the positive reports of leading retail assessors of the world.

**KEYWORDS:** Organized retailing, Demographic factors.

### INTRODUCTION

#### Perception on corporate retail outlet on consumers in salem city

Organized retailing in India initially began in the South. The availability of land at prime locations coupled with lower real estate prices (compared to Mumbai and Delhi) made multistoried shopping complexes possible and now south India - notably Chennai and to a lesser extent Bangalore and Hyderabad - has emerged as a centre of organized retailing. In fact, in Chennai, nearly 20 per cent of food sales now is accounted for, by supermarkets and an equal share of consumer durables is sold through speciality chains such as Vivek's. It took two years of recession for this concept of shopping to take root in major cities like Mumbai and Delhi. Recession brought down property prices in these cities, and it was during this slump that big business houses took notice of the potential in retailing. India is rapidly evolving into an exciting and competitive marketplace with potential target consumers in both the niche and middle class segments. Manufacturer-owned and retail chain stores are springing up in urban areas to market consumer goods in a style similar to that of malls in more affluent countries. Even though big retail chains like Crossroads, Saga and Shoppers Stop are concentrating on the upper segment and selling products at higher prices, some like RPG's Food World and Big Bazaar are tapping the huge middle class population. During the past two years, there has been a tremendous amount of interest in the Indian retail trade from global majors as well. Over the years, international brands like McDonalds, Swarovski, Lactose, Domino's, Pepsi, and Benetton among a host of others have come in and thrived in India.

### STATEMENT OF THE PROBLEM

Retailing is one of the fastest growing industries in India, catering to the world's second-largest consumer market. A sunrise industry, it offers tremendous potential for growth and contributes eight-ten per cent to overall employment. However, this is still low compared to twenty per cent in the USA. As India moves towards being a service-oriented economy, a rise in this percentage is expected. The number of the retail outlets is growing at about 8.5 per cent annually in the urban areas, and in towns with a population between 1, 00,000 to 10, 00,000 the growth rate is about 4.5 per cent. With the increasing assertiveness of the Indian consumer and a growing supply base - both from within India as well as from other countries - the retail sector in India is poised for a significant change in the coming decade

### OBJECTIVES OF THIS STUDY

To analyse perception on corporate retail outlet consumers in Salem City

### METHODOLOGY

The Methodology to be adopted for a particular area would depend upon the purpose and objectives to be achieved. Based on the objectives and the hypothesis to be tested, the required data have been gathered from both primary and secondary sources. The scope of the study is confined to Salem town area's organized retail sectors. The respondents belonging to Salem town region, Salem. The study examines primary as well as secondary data. The researcher collected data by using a convenience sampling method. The researcher conducted the survey for 6 months i.e., from January 2013 to June 2013.

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**Table 1 - Perception on corporate retail outlet**

Perception on Corporate Retail Outlet		Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Total
Wider product range	No.	321	123	55P	1	-	500
	%	64.2	24.6	11.0	.2	-	100.0
Choice of more pack sizes/ brands	No.	214	211	43	19	13	500
	%	42.8	42.2	8.6	3.8	2.6	100.0
Better product quality	No.	157	186	139	16	2	500
	%	31.4	37.2	27.8	3.2	0.4	100.0
Promotional schemes	No.	148	244	90	16	2	500
	%	29.6	48.8	18.0	3.2	.4	100.0
Special offer/discounts/lesser price	No.	218	189	84	7	2	500
	%	43.6	37.8	16.8	1.4	.4	100.0
Better parking facility	No.	119	143	185	25	28	500
	%	23.8	28.6	37.0	5.0	5.6	100.0
Better ambience	No.	124	235	128	8	5	500
	%	24.8	47.0	25.6	1.6	1.0	100.0
Better service to clients	No.	198	228	69	3	2	500
	%	39.6	45.6	13.8	.6	.4	100.0
Proximity to home or workplace	No.	155	223	107	12	3	500
	%	31.0	44.6	21.4	2.4	.6	100.0
Easy to access	No.	198	192	104	5	1	500
	%	39.6	38.4	20.8	1.0	.2	100.0
Family shopping	No.	272	95	43	78	12	500
	%	54.4	19.0	8.6	15.6	2.4	100.0
Entertainment	No.	111	104	101	118	66	500
	%	22.2	20.8	20.2	23.6	13.2	100.0
Saves time	No.	123	46	85	205	41	500
	%	24.6	9.2	17.0	41.0	8.2	100.0
Home delivery	No.	29	63	133	236	39	500
	%	5.8	12.6	26.6	47.2	7.8	100.0
Credit facility	No.	39	54	96	166	145	500
	%	7.8	10.8	19.2	33.2	29.0	100.0
Competence of sales people	No.	175	245	74	6	-	500
	%	35.0	49.0	14.8	1.2	-	100.0
Reputation of the store	No.	140	200	156	2	2	500
	%	28.0	40.0	31.2	.4	.4	100.0
Cost of goods	No.	88	117	236	57	2	500
	%	17.6	23.4	47.2	11.4	.4	100.0
Rush and waiting time	No.	201	241	45	10	3	500
	%	40.2	48.2	9.0	2.0	.6	100.0
Layout and quality of infrastructure	No.	256	189	48	7	-	500
	%	51.2	37.8	9.6	1.4	-	100.0
Cleanliness of the store	No.	402	91	5	1	1	500
	%	80.4	18.2	1.0	.2	.2	100.0
Friendliness and courteous of the sales staff	No.	213	268	17	-	2	500
	%	42.6	53.6	3.4	-	.4	100.0
Treating consumers with respect	No.	189	232	74	5	-	500
	%	37.8	46.4	14.8	1.0	-	100.0
Convenient shopping hours	No.	101	230	140	25	4	500
	%	20.2	46.0	28.0	5.0	.8	100.0
General decoration of the store	No.	152	178	64	103	3	500
	%	30.4	35.6	12.8	20.6	.6	100.0
Use of technology by the store	No.	156	275	66	3	-	500
	%	31.2	55.0	13.2	.6	-	100.0
Architecture style of the store	No.	178	156	163	3	-	500
	%	35.6	31.2	32.6	.6	-	100.0
Visibility of the store	No.	165	218	106	10	1	500
	%	33.0	43.6	21.2	2.0	.2	100.0
Price points of the store	No.	173	191	116	20	-	500
	%	34.6	38.2	23.2	4.0	-	100.0
Attitude and behavior of the staff	No.	177	164	154	5	-	500
	%	35.4	32.8	30.8	1.0	-	100.0

Source: Primary data

It is clear that 64.2 per cent of respondents strongly agree that there is a wider product range in corporate retail outlets. 42.8 per cent of respondents strongly agree that there is a choice of more pack sizes/ brands in corporate retail outlets -37.2 per cent of respondents agree that there is better product quality in corporate retail outlets 48.8 per cent of respondents agree that they are promotional schemes in corporate retail outlets. 43.6 per cent of respondents strongly agree that there are special offers/ discounts/ lesser price in corporate retail outlets. 28.6 per cent respondents agree that there are better parking facility in corporate retail outlets. 47 per cent respondents agree that there is better ambience in corporate retail outlets. 45.6 per cent of respondents agree that the corporate retail outlets give better service to their clients. 44.6 per cent agree that the corporate retail outlets have proximity to home or workplace. 39.6 per cent of respondents strongly agree that the corporate retail outlets are easy to access. 54.4 per cent of respondents strongly agree that corporate retail outlets are for family shopping. 22.2 per cent of respondents strongly agree that the corporate retail outlets provide entertainment. 41 per cent of respondents disagree that shopping at corporate retail outlets save time. 47.2 per cent of respondents disagree that corporate retail outlets provide home

delivery, 33.2 per cent of respondents disagree that corporate retail outlets provide credit facility, 49 per cent of respondents agree that the sales people are competent in corporate retail outlets. 40 per cent of respondents agree about the reputation of the corporate retail outlet. 47.2 per cent of respondents neither agree nor disagree with the cost of goods at the corporate retail outlet. 48.2 per cent agree that there is no rush and waiting time at corporate retail outlets. 51.2 per cent respondents strongly agree that the layout and quality of infrastructure is good in corporate retail outlets. 53.6 per cent of respondents strongly agree that the sales staff are friendly and courteous. 46.4 per cent respondents agree that that corporate retail outlets treat consumers with respect. 46 per cent of respondents agree that corporate retail outlets provide convenient shopping hours. 35.6 per cent of respondents agree with the General decoration of the store. 55.00 per cent of respondents agree with the use of technology by the stores. 35.6 per cent agree strongly with the architecture style of the store. 43.6 per cent of respondents agree with the visibility of the store. 38.2 per cent agree with the price points of the store. 35.4 per cent strongly agree with the attitude and behaviour of the staff at the corporate retail outlets.

TABLE 2

Association between consumer group and overall satisfaction towards the corporate retail outlet

CONSUMER GROUP	Overall satisfaction towards the corporate retail outlet						Total		Chi-Square Test		
	Neither satisfied nor dissatisfied		Satisfied		Highly satisfied		No.	%	Value	df	S/N S
	No.	%	No	%	No	%					
Food	4	4.0	90	90.0	6	6.0	100	100.0	<b>42.203</b>	<b>8</b>	<b>S**</b>
Textile	4	4.0	75	75.0	21	21.0	100	100.0			
Fashion	-	-	98	98.0	2	2.0	100	100.0			
Pharmacy	-	-	81	81.0	19	19.0	100	100.0			
General	1	1.0	94	94.0	5	5.0	100	100.0			
<b>Total</b>	<b>9</b>	<b>1.8</b>	<b>438</b>	<b>87.6</b>	<b>53</b>	<b>10.6</b>	<b>500</b>	<b>100.0</b>			

\*\* - Significant at 1% level \* - Significant at 5% level NS- Not Significant TV: 20.090

From the above table, it is clear that 90 per cent of consumers in the food category are satisfied, 6 per cent highly satisfied and 4 per cent are undecided. 75 per cent of consumers in the Textile category are satisfied, 21 per cent highly satisfied and 4 per cent are undecided. 98 per cent of consumers in the fashion category are satisfied and 2 per cent are highly satisfied. 81 per cent of consumers in the Pharmacy sector are satisfied and 19 per cent are highly satisfied.

94 per cent of consumers in the general category are satisfied and 5 per cent are highly satisfied and 1 per cent are undecided.

### SUGGESTIONS OF THIS STUDY

1. In order to satisfy the consumer needs, the small retailers must have a thorough understanding of how consumer makes store choice and purchase decision. Perceptual mapping of the consumers provide some valuable insights into the process and therefore is useful for the store management decision making. It is important to realize the purchase of products which involves motivational, social, psychological and

economic factors. Retail consumers need to understand on a variety of levels.

2. Consumers seek to reduce the risk of their purchase. Retailers need to provide information, guarantees and after sales services to reduce the perception of risk. Consumers will go shopping for a variety of reasons. The complexity of the shopping trip per se should clear the retail staff.
3. Due to maintenance of good quality of their goods, the consumers are attracted by corporate retailers. In order to satisfy the consumers the small trader should also maintain fresh and good quality goods for the consumers.
4. In the general opinion among the educated is that the small traders are doing adulteration. For this reason they prefer corporate retail for purchase. Therefore the small traders should avoid the practice of the adulteration, otherwise survival will be difficult.

### CONCLUSION

Historically, the Indian retail sector is dominated by sole proprietorship mostly governed by old principles of

business inheritance. The perception is now changing with Indian government, under pressure from the US and other western countries, deciding to gradually increase the limit of Foreign Direct Investment in retail sector. The decision is fuelled by booming economy and the positive reports of leading retail assessors of the world. The favorable business environment in the country is indicated by the increased Non Residential India investment in India since the past few years. The Non Resident Indians are also putting added pressure on the government to open up the retail sector in India for the Foreign Direct Investment, as the prices of commercial property in India are already on the upswing and the ever-increasing spending power of the consumers lend positive air to the business environment in the country.

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